

BAKER & HOSTETLER LLP

45 Rockefeller Plaza
New York, NY 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Nicholas J. Cremona
Dean D. Hunt

*Attorneys for Irving H. Picard, Trustee
for the Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities LLC
and for the Estate of Bernard L. Madoff*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

Adv. Pro. No. 08-01789 (SMB)

SIPA Liquidation

(Substantively Consolidated)

IRVING H. PICARD, Trustee for the Substantively
Consolidated SIPA Liquidation of Bernard L. Madoff
Investment Securities LLC and Bernard L. Madoff,

Plaintiff,

v.

SHETLAND FUND LIMITED PARTNERSHIP;
ROBERT I. LAPPIN, in his capacity as General
Partner of the Shetland Fund Limited Partnership;
U/W/O LOUIS ZAIGER RESIDUE TRUST, in its
capacity as a Limited Partner of Shetland Fund

Adv. Pro. No. 10-04579 (SMB)

Limited Partnership; MARION L. LAPPIN, in her capacity as a Limited Partner of Shetland Fund Limited Partnership; NANCY J. LAPPIN, in her capacity as a Limited Partner of Shetland Fund Limited Partnership; PETER J. LAPPIN, in his capacity as a Limited Partner of Shetland Fund Limited Partnership; BARTON REALTY TRUST, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; SHETLAND ASSOCIATES LIMITED PARTNERSHIP, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; LAPPIN GRANDCHILDREN'S TRUST, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; SHETLAND PROPERTIES, INC., in its capacity as a Limited Partner of Shetland Fund Limited Partnership; SHETLAND INVESTMENTS LIMITED PARTNERSHIP, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; LAPPIN FAMILY LIMITED PARTNERSHIP, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; ROBERT I. LAPPIN 1972 FAMILY TRUST FBO NANCY LAPPIN, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; ROBERT I. LAPPIN 1972 FAMILY TRUST FBO PETER LAPPIN, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; ROBERT I. LAPPIN 1972 FAMILY TRUST FBO ANDREW LAPPIN, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; ROBERT I. LAPPIN IRREVOCABLE 1976 FAMILY TRUST FBO NANCY LAPPIN, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; ROBERT I. LAPPIN IRREVOCABLE 1976 FAMILY TRUST FBO PETER LAPPIN, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; ROBERT I. LAPPIN IRREVOCABLE 1976 FAMILY TRUST FBO ANDREW LAPPIN, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; MARION L. LAPPIN TRUST, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; ANDREW LAPPIN, in his capacity as a Limited Partner of Shetland Fund Limited Partnership; and LAPPIN GRANDCHILDREN'S TRUST FBO DANIELLE F. LAPPIN, in its capacity as a Limited Partner of Shetland Fund Limited Partnership,

Defendants.

**STIPULATION AND ORDER FOR VOLUNTARY
DISMISSAL OF ADVERSARY PROCEEDING WITHOUT PREJUDICE**

Irving H. Picard (the “Trustee”), as trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.*, and the substantively consolidated estate of Bernard L. Madoff individually, by and through his counsel, Baker & Hostetler LLP, and Defendants (a) Shetland Fund Limited Partnership; (b) Robert I. Lappin, in his capacity as General Partner of the Shetland Fund Limited Partnership; (c) U/W/O Louis Zaiger Residue Trust, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (d) Marion L. Lappin, in her capacity as a Limited Partner of Shetland Fund Limited Partnership; (e) Nancy J. Lappin, in her capacity as a Limited Partner of Shetland Fund Limited Partnership; (f) Peter J. Lappin, in his capacity as a Limited Partner of Shetland Fund Limited Partnership; (g) Barton Realty Trust, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (h) Shetland Associates Limited Partnership, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (i) Lappin Grandchildren’s Trust, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (j) Shetland Properties, Inc., in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (k) Shetland Investments Limited Partnership, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (l) Lappin Family Limited Partnership, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (m) Robert I. Lappin 1972 Family Trust fbo Nancy Lappin, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (n) Robert I. Lappin 1972 Family Trust fbo Peter Lappin, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (o) Robert I. Lappin 1972 Family Trust fbo Andrew Lappin, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (p) Robert I. Lappin

Irrevocable 1976 Family Trust fbo Nancy Lappin, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (q) Robert I. Lappin Irrevocable 1976 Family Trust fbo Peter Lappin, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (r) Robert I. Lappin Irrevocable 1976 Family Trust fbo Andrew Lappin, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (s) Marion L. Lappin Trust, in its capacity as a Limited Partner of Shetland Fund Limited Partnership; (t) Andrew Lappin, in his capacity as a Limited Partner of Shetland Fund Limited Partnership; (u) and Lappin Grandchildren's Trust fbo Danielle F. Lappin, in its capacity as a Limited Partner of Shetland Fund Limited Partnership, by and through their counsel, Howard Kleinhendler of Wachtel Missry LLP (collectively, the "Parties"), hereby stipulate and agree to the following (the "Stipulation"):

1. On December 1, 2010, the Trustee filed and served the Complaint against Defendants.
2. On August 17, 2015, Defendants served an answer on the Trustee.
3. On May 31, 2016, the Parties entered into a settlement agreement (the "Settlement Agreement") pursuant to the Settlement Procedures Order, entered by this Court on November 12, 2010 [Dkt. No. 3181].
4. In accordance with Federal Rule of Bankruptcy Procedure 7041(a)(1)(ii), and Federal Rule of Civil Procedure 41(a)(1), the Parties hereby stipulate to a dismissal without prejudice of the Trustee's claims against Defendants in the above-captioned adversary proceeding and dismissal of the adversary proceeding without prejudice, subject to the right of the Trustee to move *ex parte* to re-open this adversary proceeding in the event of an uncured default under the terms of the Settlement Agreement. Upon the Trustee's receipt of the full Settlement Amount as set forth in the Settlement Agreement, and provided there is no default under the Settlement Agreement, this dismissal shall be deemed with prejudice.

5. The provisions of this Stipulation shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns and upon all creditors and parties of interest.

6. This Stipulation may be signed by the Parties in any number of counterparts, each of which when so signed shall be an original, but all of which shall together constitute one and the same instrument. A signed facsimile, photostatic, or electronic copy of this Stipulation shall be deemed an original.

Dated: New York, New York
August __, 2016

BAKER & HOSTETLER LLP

By: /s/ Nicholas Cremona
David J. Sheehan
Nicholas J. Cremona
45 Rockefeller Plaza
New York, NY 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201

*Attorneys for Irving H. Picard, Trustee
for the Substantively Consolidated SIPA
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Of Counsel:

BAKER & HOSTETLER LLP

811 Main Street, Suite 1100
Houston, Texas 77002-5018
Telephone: (713) 751-1600
Facsimile: (713) 751-1717
Dean D. Hunt

WACHTEL MISSRY LLP

By: /s/ Howard Kleinhendler
Howard Kleinhendler
Sara G. Spiegelman
1 Dag Hammarskjold Plaza
885 Second Avenue, 47th Floor
New York, New York 10017
Telephone: (866) 526-2877
Facsimile: (212) 909-9490

Attorneys for Defendants

SO ORDERED:

Dated: September 1st, 2016
New York, New York

/s/ STUART M. BERNSTEIN_____
Hon. Stuart M. Bernstein
United States Bankruptcy Judge